

## Message Text

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11

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 NEA-10 /103 W

----- 065680

R 162100Z MAY 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5173

INFO AMEMBASSY CARACAS

AMEMBASSY QUITO

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EO 11652: N/A

TAGS: ENRG, PFOR, PE, EC, VE

SUBJECT: TEXT OF PERUVIAN DECREE AUTHORIZING BANCO DE  
LA NACION TO PURCHASE VENEZUELAN OIL

REF: LIMA 2922, CARACAS 3325, QUITO 1860

1. MAY 16 OFFICIAL GOP GAZETTE PUBLISHED TEXT OF SUPREME  
DECREE NO. 098-75-EF SIGNED BY PRESIDENT VELASCO AUTHORIZ-  
ING BANCO DE LA NACION TO SIGN A CONTRACT WITH THE VENE-  
ZUELAN INVESTMENT FUND FOR A LOAN OF \$65 MILLION, PAYABLE  
DURING THIRTY MONTH PERIOD AT 8 PERCENT INTEREST. INTRO-  
DUCTORY LANGUAGE STATES THAT BANCO DE LA NACION HAD BEEN  
AUTHORIZED BY A DECREE LAW OF MAY 13 TO SIGN LOANS TO MEET  
PETROPERU'S IMPORT REQUIREMENTS OF \$100 MILLION FOR PERIOD  
APRIL 1975-JUNE 1977.

2. COMMENT: PERU'S CRUDE IMPORTS DURING PERIOD APRIL 1975-  
JUNE 1977 WILL AMOUNT TO APPROXIMATELY 24 MILLION BARRELS.  
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PRESUMING THAT THREE-FOURTHS OF THIS TOTAL IS COVERED

UNDER TERMS OF THE \$65 MILLION VENEZUELAN LOAN AGREEMENT ON TWO AND ONE-HALF YEAR FINANCING, APPROXIMATELY 18 MILLION BARRELS ARE COVERED BY THE LOAN ARRANGEMENT. SINCE THE CURRENT ACCOUNT COST TO PERU IS \$6 PER BARREL, THE REMAINING COST TO BE FINANCED IS APPROXIMATELY \$4 PER BARREL TIMES 18 MILLION. THIS FIGURE APPROXIMATES THE \$65 MILLION LOANED BY VENEZUELA. WE THINK THAT THE DIFFERENCE BETWEEN THE \$65 MILLION FOR VENEZUELA AND THE \$100 MILLION FOR TOTAL IMPORTS RELATES TO THE REMAINING QUARTER OF THEIR OIL IMPORTS, FOR WHICH THEY MAY HAVE ALSO BEEN SEEKING LONG-TERM FINANCING, AT LEAST IN PART.

3. OTHER SIGNIFICANT FACTOR IS THAT BY PUBLISHING TERMS OF DECREE GOP HAS PUBLICLY RECOGNIZED THAT IT WILL REQUIRE CRUDE IMPORTS WELL BEYOND THE OFFICIAL TERMINAL DATE (SUMMER, 1976) OF THE TRANS-ANDEAN PIPELINE WHICH, ACCORDING TO THEIR PUBLIC PRONOUNCEMENTS, SHOULD MAKE THEM SELF-SUFFICIENT IN OIL.

4. SINCE DRAFTING FORE-GOING, VICE MINISTER OF ENERGY AND MINES HAS CONFIRMED TO EMBASSY OFFICERS THAT ANALYSIS IN PARA. 2 IS ESSENTIALLY ACCURATE. HE DECLINED TO COMMENT SPECIFICALLY ON USE OF REMAINING \$35 MILLION, BUT DID SAY THAT PERU WOULD PURCHASE NO MORE THAN 40,000 B/D FROM VENEZUELA AND ECUADOR DURING PERIOD OF CONTRACT.  
DEAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, IMPORTS, LAW, TEXT, IMPORT DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LIMA04044  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750174-0176  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750545/aaaabove.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LIMA 2922, 75 CARACAS 3325, 75 QUITO 1860  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 SEP 2003 by WorrelSW>; APPROVED <10 SEP 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXT OF PERUVIAN DECREE AUTHORIZING BANCO DE LA NACION TO PURCHASE VENEZUELAN OIL  
**TAGS:** ENRG, PFOR, PE, EC, VE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006